

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



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**ANNUAL AUDITED REPORT
FORMX-17A-5
PART III**

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Washington, DC

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/11 AND ENDING 12/31/11
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Halter Financial Securities, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

500 West Putnam Avenue 1, Suite 400

(No. and Street)

Greenwich

(City)

CT

(State)

06830

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Joseph Sipkin

(212) - 571-0064

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report¹

LEONARD ROSEN & COMPANY, P.C.

(Name - if individual, state last, first, middle name)

15 MAIDEN LANE, ROOM 505

(Address)

NEW YORK

(City)

NY

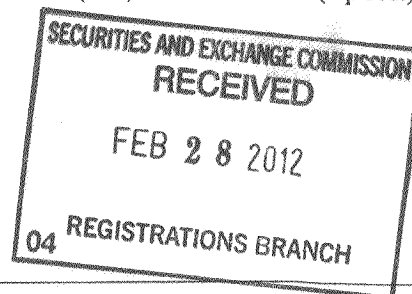
(State)

10038

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant D Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.



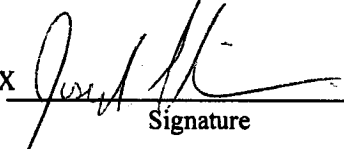

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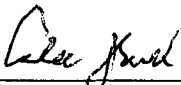
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

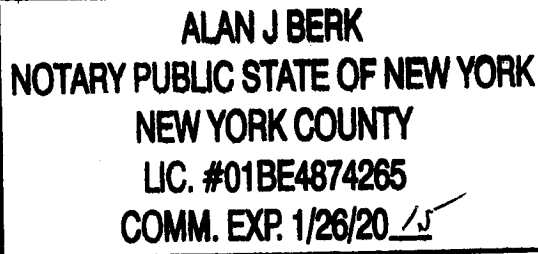
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OATH OR AFFIRMATION

I, Joseph Sipkin, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Halter Financial Securities, Inc., as of December 31, 2011, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

X 
Signature

Title

X 
Notary Public



This report ** contains (check all applicable boxes):

- ☒ (x) (a) Facing Page.
- ☒ (x) (b) Statement of Financial Condition.
- ☒ (x) (c) Statement of Income (Loss).
- ☒ (x) (d) Statement of Changes in Financial Condition.
- ☒ (x) (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (x) (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (x) (g) Computation of Net Capital.
- ☐ () (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ () (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (x) (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ () (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (x) (l) An Oath or Affirmation.
- ☒ (x) (m) A copy of the SIPC Supplemental Report.
- ☒ (x) (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

LEONARD ROSEN & COMPANY, P.C.

Certified Public Accountants

15 MAIDEN LANE
NEW YORK, N. Y. 10038

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF HALTER FINANCIAL SECURITIES, INC.

We have audited the accompanying statement of financial condition of Halter Financial Securities, Inc. as of December 31, 2011. This financial statement is the responsibility of the Firm's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Halter Financial Securities, Inc. as of December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

Leonard Rosen & Company, P.C.

New York, NY
February 26, 2012

HALTER FINANCIAL SECURITIES, INC.
STATEMENT OF FINANCIAL CONDITION

December 31, 2011

ASSETS

Cash and Cash Equivalents	\$ 75,006
Securities Owned, at Fair Market Value	-
Advances	108,770
Fixed Assets, net of Related Allowance for Depreciation of \$6,441	7,444
Other Assets	<u>3,613</u>
	<u>\$ 194,833</u>

LIABILITIES AND NET WORTH

Liabilities:

Accounts Payable	\$ 8,026
Accrued Expenses Payable	<u>4,000</u>
	<u>12,026</u>

Net Worth

Common Stock	16,667
Paid In Capital	605,433
Retained Earnings	<u>(439,293)</u>
	<u>182,807</u>
	<u>\$ 194,833</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

HALTER FINANCIAL SECURITIES, INC.
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

1. Organization of the Company

The Company is registered with the Financial Industry Regulatory Authority ("FINRA") as a Broker Dealer and is exempt from Securities and Exchange Rule 15c3-3 under Section (k)(2)(i). In February, 2010 the Company legally changed its name from WLT Brothers Capital, Inc. to Halter Financial Securities, Inc.

2. Nature of Business

The Company is engaged in investment banking activities arranging for the issuance of debt and equity securities.

3. Summary of Significant Accounting Policies

A. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers money market funds to be cash and cash equivalents.

B. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, revenues and expenses.

4. Securities Owned

Securities owned consist of marketable securities and Warrants which were exercisable at December 31, 2011. The value of the Warrants was determined by Management to be zero at December 31, 2011.

5. Income Taxes

The Company is approved as a Subchapter S Corporation and is therefore not subject to Income Taxes. Any income earned by the Company is reported by the Shareholder who is liable for any taxes that may be due.

6. Net Capital Requirement

The Company is subject to the Securities and Exchange Commission's Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1,500%. At December 31, 2011, the Company's net capital of \$62,980 was \$57,980 in excess of its required net capital of \$5,000. The ratio of aggregate indebtedness to net capital was 19.09 %.

7. Reserve Requirement Computation

The Company is registered with FINRA as a Broker Dealer exempt from SEC Rule 15c3-3 under Section (k)(2)(i). Therefore, they are not required to compute 15c3-3 Reserve Requirements.

8. Possession and Control Requirements

The Company is registered with FINRA as a Broker Dealer exempt from SEC Rule 15c3-3 under Section (k)(2)(i). Therefore, they are not subject to Possession or Control Requirements under SEC Rule 15c3-3.

9. Subsequent Events

The Company has evaluated events and transactions that occurred between December 31, 2011 and February 26, 2012 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.